

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 EB-07 /017 W  
----- 125024

R 200836Z MAY 76  
FM AMEMBASSY SEOUL  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 7236  
AMEMBASSY SINGAPORE  
AMEMBASSY TOKYO  
AMEMBASSY MANILA  
AMCONSUL HONGKONG

UNCLAS SEOUL 3773

E.O. 11652: N/A

TAGS: ETRD, KS

SUBJECT: MAJOR PROJECT - INTEGRATED INDUSTRIAL MACHINERY PLANT  
CONSTRUCTION IN THE CHANGWON BY HYUNDAI INTERNATIONAL  
INC.

1. PROJECT DESCRIPTION: HYUNDAI INTERNATIONAL INC. (HII),  
A MEMBER OF THE HYUNDAI BUSINESS GROUP, PLANS TO CONSTRUCT  
A LARGE-SCALE INDUSTRIAL MACHINERY PLANT IN CHANGWON MACHINERY  
ESTATE NEAR THE MASAN FREE EXPORT ZONE ON THE SOUTHERN COAST  
OF KOREA. THE PROJECTED PLANT WILL PRODUCE MACHINERY FOR  
FABRICATING CHEMICAL, STEEL, ELECTRIC POWER GENERATION, OIL,  
PETROCHEMICAL AND PULP MANUFACTURING INDUSTRY EQUIPMENT.

### 2. IMPLEMENTING OFFICE:

MR. KANG MOON KOOK, MANAGER  
OFFICE OF PLANNING  
HYUNDAI INTERNATIONAL INC.  
#200, DANGJUNG-RI, NAM-MYUN, SHIHEUNG-KUN,  
KYUNGGI DO, KOREA  
CPO BOX: 1826, SEOUL  
CABLE: ROKATLAS (SEOUL), ROKHINTLA (ANYANG)  
TELEX: HINTLA K28388, HINTL K27461

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3. COST AND FINANCING: TOTAL PROJECT COSTS ARE PRESENTLY

ESTIMATED AT DOLLARS 162 MILLION. FOREIGN EXCHANGE COSTS

OF DOLLARS 95 MILLION WILL BE REQUESTED TO FINANCE IMPORT OF MACHINERY AND EQUIPMENT. HII HAS NOT YET ARRANGED FINANCING FOR THE FOREIGN EXCHANGE COSTS OF THIS PROJECT. HOWEVER A FORMAL LOAN REQUEST WAS MADE TO IBRD BY THE ROK ECONOMIC PLANNING BOARD (EPB) VERY RECENTLY.

4. EXPECTED BID DATES: UNKNOWN, DEPENDS ON AVAILABILITY OF THE FINANCING OF FOREIGN EXCHANGE COSTS. HYUNDAI'S SONSTRUCTION SCHEDULE CALLS FOR COMPLETION OF THE CIVIL ENGINEERING AND BUILDING CONSTRUCTION WORK IN 17 MONTHS FROM AUGUST 1976 TO DECEMBER 1977, UTILITY WORK WILL BE FINISHED BY JUNE 1978 AND THE MACHINERY WILL BE INSTALLED BY AUGUST 1978. MECHANICAL TESTING OPERATIONS WILL BEGIN SEPTEMBER 1978 FOR FOUR MONTHS TILL THE END OF 1978 WITH COMMERCIAL OPERATION TO START EARLY IN 1979.

5. POTENTIAL U.S. SALES: ITEMS TO BE PURCHASED FOR SUBJECT PROJECT INCLUDE: A. FOUNDRY SHOP - ELECTRIC ARCFURNACES, DUST COLLECTOR, INDUCTION FURNACES, CUPOLA, SAND CONDITIONING EQUIPMENT, ROTOBlast, SPECTROMETER WITH AIR SHOOTING EQUIPMENT, OVERHEAD CRANES, ETC. B. ORGING SHOP - HAMMERS (STEAM OPERATED FOR FREE FORGING 10 TON, 5 TON AND 2 TON PIECES), 7 AND 2 TON FORGING MANIPULATORS. C. MACHINE AND ASS'Y SHOP - PLANER MILLERS, HORIZONTAL BORING MACHINES, SOUB BORING MACHINE, ENGINE LATHES, ROLL LATHES, VERTICAL TURNING MACHINES, ROLL GRINDING MACHINES, GEAR HOBGING MACHINES, HORIZONTAL GEAR MILLING MACHINE, BEVEL GEAR CUTTING MACHINE, FLOOR TYPE RADIAL DRILL, LAYOUT MACHINE, INDUCTION HARDENER, BAR TURNING MACHINE, VERTICAL LATHE, N.C. SURFACE GRINDING MACHINES, CYLINDRICAL GRINDING MACHINES, INTERNAL GRINDING MACHINE, UPRIGHT DRILL, VERTICAL BORING AND MILLING MACHINE, TAPER SPLINE CUTTING MACHINE, TAPER BROACHING MACHINE, DYNAMIC BALANCING MACHINE, ETC. D. FABRICATING SHOP - PROFILE BURNING MACHINES, SHEARING MACHINE, PRESS BRAKES 1 FOR 1,500 TON, 2 FOR 800 TON, AND 3 FOR 300 TON, STRAIGH-TENING PRESS, BENDING ROLLERS, HEAVY DUTY CIRCULAR SAWS, DISC PRESS, FLANGING MACHINE, X-RAY TESTER, ETC. E. AIR COMPRESSOR AND MATERIAL HANDLING EQUIPMENT AND VARIOUS SPECIAL UNCLASSIFIED

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TOOLS AND GUAGES WITH LABORATORY EQUIPMENT.

6. POST COMMENTS: SUBJECT PROJECT IS INTENDED TO SUPPORT ROKG HEAVY AND CHEMICAL INDUSTRY DEVELOPMENT PLAN AND ENJOYS A HIGH PRIORITY WITH ROKG PLANNERS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRIAL PRODUCTION, INDUSTRIAL PLANTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 MAY 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 3  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** CollinP0  
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**Review Content Flags:**  
**Review Date:** 01 JUL 2004  
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Margaret P. Grafeld  
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**To:** COM  
**Type:** TE  
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